

DEPARTMENT POLICY

Policy No. 0029

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| Date of Issue: May 19, 2003 | Initial Policy |

PURPOSE

To create a policy and procedure from which to recognize and reward BGS employees for their outstanding contributions made in the workplace.

APPLICABILITY

This Employee Recognition and Merit Bonus Awards Policy (the policy) is limited to permanent Department of Buildings and General Services (BGS) classified employees and exempt employees not covered by Department of Personnel (DOP) policy 7.2. Employees on probation or under disciplinary action do not qualify for awards under this policy.

DEFINITION

Permanent BGS Employee: A BGS employee who has completed an original probationary period and is occupying a permanent classified position.

POLICY

1). Purpose & Policy Statement:

BGS employs many exceptional employees whose performance exceeds established standards and norms for their positions. BGS encourages all employees to strive to exceed the standards and norms for their positions. To foster excellence, BGS hereby establishes a program to reward and recognize individual employees as well as teams.

This Policy is written to establish guidelines and procedures for nomination, review, and approval of these awards. Awards may be proposed for professional achievement, initiative, cost savings, and innovation substantially above and beyond established standards for a specific position, or for outstanding ongoing performance, which significantly exceeds established standards. Any employee within the Department of Buildings and General services may submit a nomination.

The BGS Merit Award Committee (the Committee) is established by the Commissioner of BGS and comprised of both labor and management representatives. The role of the Committee is to: a) Establish and maintain the policy for approval by the Commissioners of BGS and DOP. b) Review award applications and recommend levels of award that promote consistent and equitable recognition.

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2). General Guidelines:

The BGS policy is designed to fall within the general guidelines of the State Statutes, the Outstanding Performance Article of the Agreements between the State of Vermont and the Vermont State Employees' Association, Inc. (VSEA) and the DOP policy on Employee Recognition and Merit Bonus Awards. The Commissioner of BGS is accountable for ensuring that the BGS policy is implemented and maintained in accordance with the original intent of the program as outlined in the Purpose and Policy statement above.

Merit awards generally fall into three (3) categories: step increases; non-recurring bonuses; and other forms of recognition (such as days off, purple cards, letters of commendation, plaques, etc.) which may be more appropriate in certain circumstances or for some employees. This policy addresses only step increases and non-recurring bonuses as described in section 4, "Major Types of Awards." Other forms of recognition will be addressed in a later version of this policy.

Awards are not automatic or mandatory for attainment of specific ratings on performance evaluations.

The BGS employee, team, or manager of the year award is not subject to the restrictions of this policy. The Commissioner of BGS reserves the right to award a one-time bonus up to \$500 to an employee based on his/her assessment of merit.

3). Major Award Criteria:

Nominators should consider the following criteria to determine whether a major award is appropriate. Work of an **exceptional** nature characterized by efforts that:

- Save the State money *or*
- Increase efficiency of operations *or*
- Demonstrate initiative, innovation or creativity resulting in positive outcome *or*
- Demonstrate extraordinary commitment, customer service or pride in the workplace *or*
- Exhibit extraordinary level of teamwork, professional development or leadership *or*
- Contribute extra effort toward creation of a positive work place environment or positive workplace attitudes *or*
- Achieve measurable success on special projects requiring significant extra effort
- Demonstrated sustained long term recognized "outstanding" performance consisting of a continuous period of 12 months or more is required for merit step increases.

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4). Major Types of Awards:

Non-recurring bonuses are awards recognizing exceptional performance of a one-time nature. Merit step increases may only be awarded for sustained, long-term performance that significantly exceeds all standards.

a). Non-recurring bonus:

Lump sum or cash-equivalent bonuses are granted on a one-time basis and do not alter the current hourly rates of employees. Bonuses are appropriate for special recognition of exceptional performance on a special project or other "short-term" (i.e. less 12 months) activity of significant importance to BGS. The amount of the bonus will be determined in accordance with the criteria identified previously, considering the duration of extraordinary effort expended (days, weeks, months), the amount of extra effort required (time, physical energy, personal sacrifice, mental effort or demands) and the impact resulting from the extraordinary effort (saved money, increased efficiency, improvements to safety, the environment, etc.) The value of non-recurring bonuses may range from \$100 to an amount not to exceed 8% of the annualized base salary of the employee.

b). Merit step increase:

These increases are permanent adjustments to salary that advance the step level of the employee by one or two steps. Step increases may be appropriate when faster than normal salary advancement is warranted due to sustained, long-term (i.e. 12 months or more) performance that significantly exceeds all standards.

1). One step awards: a candidate for a one-step award must have received an exceptional or outstanding rating by his or her supervisor for the last performance rating period. The nomination must be supported by corroborating evidence from a third party, or other credible evidence as may be available.

2). Two step awards: a candidate for a two-step award must have received an exceptional or outstanding rating by his or her supervisor in the last two (2) consecutive performance rating periods. The nomination must be supported by corroborating evidence from a third party, or other credible evidence as may be available.

The effective date for merit step increases will be the first day of the new payroll period following approval of the award by the commissioner of BGS. Step increases may not in any event exceed two steps.

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The granting of these awards must be in compliance with the Outstanding Performance Article of the Agreements between the State of Vermont and VSEA. No individual employee may receive more than one “small” bonus (up to and including \$1,000) and one “large” merit bonus (over \$1,000 or a step increase) in a single year without the prior approval of the commissioner of DOP.

5). Nomination Procedure:

Any BGS employee may nominate another employee or team within BGS by following the nominating procedures contained in this policy. The inclusion of supporting documentation is strongly encouraged. Employees may not nominate themselves and reciprocal nominations are discouraged.

The following procedure shall be used for all BGS merit award nominations.

a). The nominator shall complete a merit award nomination form ([Nomination Form](#)) as thoroughly as possible, detailing the circumstances warranting recognition and reward, and forward to BGS HR for processing.

b). The inclusion of supporting documentation is strongly encouraged. Supporting documentation may include performance evaluations, comments and recommendations from the employee’s supervisor, manager, appointing authority, letters of commendation, support, or appreciation from employee’s interactions with other departments, customers, clients and public or private contacts. This may also include examples of work products, documentation of achievements, or other forms of documentation as appropriate insofar as it relates to the employee’s job performance and the award under consideration.

c) BGS HR will review nominations for completeness, verify employee status, and initiate approval process within one week. Comments and recommendations will be solicited from appropriate supervisors and/or managers. Each supervisor or manager will be required to review, comment, and return the nomination form to BGS HR within one week. HR will monitor the progress of the nomination approval process to assure timely action and will forward all completed nominations to the committee for review.

d) The committee will meet at least monthly, review all completed nominations, and forward recommendations to the Commissioner of BGS for review and final approval. Once approved, BGS HR will process the award and notify both the nominator and nominee’s immediate supervisor of the approved award.

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6). Reporting and Record Keeping Procedures and Requirements:

a). Once approved, a complete copy of all documentation relating to any award will be filed in the employee's official personnel file.

b). BGS HR will submit a report to DOP in July of each year, outlining the merit award activity for the preceding fiscal year. This report will include the names of all employees nominated for merit awards, the nominee's position number, the name of the nominator, the type and amount of requested award, a brief description of the reason for the nomination, and whether the award was approved, denied or modified. BGS HR will keep this as an ongoing log of their yearly activity.

7). BGS Policy Marketing Effort:

There shall be an educational component to this policy so that all BGS employees are aware of this policy and how to use it. This educational component shall extend from managers and supervisors to their staff employees. This policy shall be made available to all BGS employees electronically on the BGS website (www.bgs.state.vt.us.) and in print.

8). Guidelines for Policy Review and Revision:

This policy will be reviewed every two (2) years or as necessary and updated according to current State Statute and DOP policy changes. The updated policy will be reviewed and approved by the Commissioner of BGS and the DOP prior to enactment.

9). Committee Operating Guidelines:

The committee shall create operating guidelines to ensure the continuity of this policy. The operating guidelines shall consider adoption of specific rules of order, how committee membership is to be established and modified, the over-all duties and responsibilities of the work performed by the committee and any other operating guidelines as may be necessary to discharge the committees obligations. The Director of BGS HR and the Commissioner of BGS shall approve the operating guidelines.

Attachments:

Merit Award Nomination Form ([Nomination Form](#))

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| Departmental Approval: | Agency Approval Required: {YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> |
| Thomas W. Torti, Commissioner Department of Buildings & General Services | Michael K. Smith, Secretary Agency of Administration |